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After Ireland's `No' to the Lisbon Treaty

Cancel All EU Treaties; Build a Europe of the Fatherlands!

by Helga Zepp-LaRouche

The Irish have now fulfilled French President Nicolas Sarkozy's prediction of last November: that the new European Union Treaty would be rejected in any country where a popular referendum was held on it. The new crisis into which Ireland's ``No" vote, on June 12, has now plunged the EU, gives us an excellent opportunity for Europe's nations to extricate themselves from the corset of every EU treaty already in effect, from Maastricht to Nice, and to opt instead for a system of Europe-wide cooperation of sovereign republics, in the spirit of Charles de Gaulle.

Immediately, on June 13, Martin Schulz, chairman of the Socialist Group in the European Parliament, announced that he would henceforth devote his efforts toward halting the process of EU enlargement....

In-Depth articles from EIR, Vol. 35, No. 25

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This Week's Cover

- **After Ireland's 'No' to The Lisbon Treaty:**
Cancel All EU Treaties; Build a Europe of the Fatherlands!

Helga Zepp-LaRouche points out that the Irish voters' rejection of the new European Union Treaty (Lisbon Treaty), which was to transform Europe into an oligarchical and imperial dictatorship, now cannot go into effect as planned on Jan. 1, 2009. This gives Europe's nations an excellent opportunity to extricate themselves from the corset of every EU treaty already in effect, and to opt instead for a system of Europe-wide cooperation of sovereign republics, in the spirit of Charles de Gaulle.

Feature

- **How To Shape History**

Lyndon LaRouche warns people who are depressed because Hillary Clinton was forced to withdraw her candidacy for the Democratic Presidential nomination, that they are wrong. He notes that her retirement is not the end, but only the beginning of the real contest yet to be fought. People make this error of judgment because of their failure to understand the way in which real history works. By understanding how history actually works, the same depressed people would be able to see that 'Hillary might still become President!'

Economics

- **Central Banks:**

Damned if They Do; Damned if They Don't

In response to what is actually a full-fledged systemic financial crisis centered in the big banks, the major central banks of the Anglo-Dutch Liberal system have issued \$3.5 trillion in loans to the banking system, much of it in exchange for worthless collateral, thus taking some of the worthless paper off the banks' books. But, as LaRouche warned, this bailout program is spreading hyperinflation. LaRouche's three-point plan is now our only hope.

- **Stopping Energy Price Explosion:**

Senate vs. Oil Futures: Too Little, Late Again?

- **Mexico's Food Policy:**

What a Difference a Generation Makes

- **Helga Zepp-LaRouche on Ghana Radio:**

Solve the Food Crisis with a Just New World Economic Order

Interviewed on a radio program from Ghana, which covers both Africa and the Caribbean, Helga Zepp-LaRouche attacked free-trade liberalism as responsible for the world food crisis, by lowering production, and raising prices because of speculation.

- **Business Briefs**

National

- **Soros's New Hostile Takeover:**

The Democratic Party

Soros, a sociopath who asserts that morality has no place in the market, along with a gang of fellow billionaires has, over the past eight years, has come pretty close to achieving his goal of taking over the Democratic Party.

- **National News**

International

- **EU Presses Its Offensive Against Russian Interests**

The apostles of the EU as Empire intend to make it the arbiter of relations in East Central Europe, eclipsing the United Nations. The result is an aggravation of tensions that threatens to pull Russia's southwest border areas into a general escalation of warfare across Eurasia.

- **Are Putin's Plans for Real?**

An article by **Prof. Stanislav Menshikov**, looks at the tension over economic policy between two wings of the new Russian cabinet.

- **Russia, India, China:**

The Strategic Import of Eurasian Relations

- **Africa Intelligence**

- **Da Wei:**

China's Role in Solving the Global Crisis

Da Wei, the Deputy Director, Department of American Studies, China Institutes of Contemporary International Relations, was a guest on 'The LaRouche Show,' hosted by **Michael Billington** of EIR's Asia Desk. Joining the discussion was LaRouche Youth Movement member **Liona Fan Chiang**.

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- [London Threatens 'Balls Clause' To Protect Oil Speculation](#)

Lehman Brothers: The Next Bear Stearns?

June 9 (EIRNS)—Lehman Brothers Holdings, Inc., a leading candidate to become the Bear Stearns of the Quarter, has "pre-announced" its second-quarter loss of \$2.8 billion, several times greater than what it was acknowledging only days before. Lehman wants the world to believe that all is well because it says it is selling stock to raise \$6 billion to shore up its operation. William F. Tanona, an analyst at Goldman Sachs, said the loss, Lehman's first since 1994, is "far worse than anyone had anticipated."

Home Equity Loan Defaults Hitting Regional Banks

June 9 (EIRNS)—Defaults on home equity loans in the United States have tripled in the past six months. In recent decades, home equity loans have become a prime source of liquidity for strapped homeowners. In exchange for cash, at interest rates usually lower than credit cards, homeowners gamble that they will be able to meet the payments or lose their homes.

The London *Financial Times* plays up, on page 1 today, that the increased default rate (now 1.54%), is creating problems particularly for regional U.S. banks. Banks such as Huntington Bancshares, National City, and SunTrust have as much as 20% of their outstanding loans in home equity loans. Home equity loans and second mortgages increased 43% from end of 2004 to end of 2007, compared to 29% for all loans.

The Federal Deposit Insurance Corp. (FDIC) says that total outstanding home equity loans amount to \$625 billion.

Home Foreclosures Soar; LaRouche's HBPA Needed Now!

June 13 (EIRNS)—RealtyTrac's latest home foreclosure report shows that the accelerating loss in American home "value"

is causing a mass loss of homes. Not only is it brutally clear that Treasury Secretary Hank Paulson's HOPE Now Alliance scheme has been swept away by the foreclosure tsunami; it is the U.S. Congress's refusal to enact a freeze on mortgages and foreclosures—a key part of Lyndon LaRouche's proposed Homeowners and Bank Protection Act (HBPA)—which has turned the mortgage collapse into a self-feeding spiral of economic destruction.

Nearly 74,000 homes were repossessed in May, meaning that since last October, homes are being lost to banks at a rate of 700,000/year. Banks lending and servicing mortgages are holding more than 750,000 repossessed homes (1.5% of all homes which have, or had, mortgages outstanding). The pace of foreclosure actions by lenders and servicers is far higher, 3 million/year; so the repossession rate will keep rising.

Repossessed homes have come to dominate the home sales markets in the far West, upper Midwest, and parts of the Southeast, where the mortgage meltdown is worst. A study released June 12 by two Lehman Brothers economists (they should know!) estimates that 30% of all home sales in the United States in 2008 will be of foreclosed homes—and this alone will add -6% to the plunge in home prices, which has already reached -15% from the September 2006 peak.

The accelerating plunge in prices, reaching about 2%/month by the end of the first quarter, is in turn the main driver of more and more foreclosures, as households are trapped in homes worth increasingly less than the mortgage debt they owe on them, and have to get out.

"This is what you got when your Congressman did not support the HBPA," Lyndon LaRouche commented. "Barney Frank, take notice."

London Threatens 'Balls Clause' To Protect Oil Speculation

June 14 (EIRNS)—Today's *Financial Times* runs one of a number of shrewd commentaries by which the City of London's intelligence arms show that they are observing very intently, what the U.S. Congress *might* be doing against the London futures markets, where the price of oil is being speculated up to the sky.

Defend U.S. sovereignty and the U.S. economy from the oil-price wrecking ball? Congress is not going so far as that, the *Financial Times* reassures its readers—at least not yet. The newspaper analyzes quite accurately what the bill introduced yesterday by Sen. Dick Durbin (D-Ill.) would and wouldn't do. Though called the "Close the London Loophole Act," it would not, the daily reassures speculator banks and hedge funds, actually close the London Loophole at all.

Why not? Well, we in the City of London have the Balls Clause, says the *Financial Times*, enacted in 2006 on demand of the U.K. Treasury. (Not a word on what this powerful Clause is, nor on why it is so named.) These Senators know we have it, and they drafted their legislation to defer to it. Thus it's an election-year ploy! The United States will never extend its sovereignty to protect itself from speculation going on in London and all its offshore markets. We have the Balls Clause. They don't. End of analysis.

More potent than British Balls Clauses would be a U.S. Congress that seized on Lyndon LaRouche's policy, proposed to them since 2000, to trade oil in government-to-government long-term contracts with oil-producing nations. That would cut off the London-run spot market and futures markets, and thus cut the Clauses right off the London oil speculators.

Global Economic News

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- [U.K. Banks Try To Start Run vs. Southeast Asian Economies](#)
- [Sweden's Role in Global Biofuels Genocide](#)

Biofuel Cabal Recolonizing Africa

June 10 (EIRNS)—At the Rome conference of the UN Food and Agriculture Organization (FAO), the representative of Congo-Brazzaville came out in defense of biofuel production, even calling for the expansion of plants and weeds for that purpose. The government is currently negotiating with international investors to sell them vast lands for growing such plants. We have to think about creating jobs, said Macaire Nzomono, the agriculture advisor of President Denis Sassou N'Guesso, according to Germany's *telepolis* website, in that context.

Finland To Build World's Biggest Nuclear Reactor

June 13 (EIRNS)—Despite opposition by the environmentalists, led by Greenpeace, Finnish authorities are moving ahead with the construction of a 1,600 MW nuclear reactor, the largest ever built; it is an advanced pressurized reactor which can use both enriched uranium and MOX (the mixed oxides of uranium 235 and plutonium) as fuel. The plant is expected to be operational in 2011.

The reactor part is being built by Framtome and Areva, while the peripherals are under contract with Siemens. Indians have built the turbine hall, which will house the largest single turbine ever built.

According to an Indian journalist who was in Finland, the authorities of the OL3, as the plant is named, indicated that governmental authorities from many countries have come to see the plant and find out in detail about the reactor. The Finns said that India and China seem to be most interested in this huge reactor.

U.K. Banks Try To Start Run vs. Southeast Asian Economies

June 13 (EIRNS)—Both the HSBC (formerly the Hong Kong and Shanghai Banking Corp., the oldest British drug-running financial institution in Asia) and Deutsche Bank (the world's largest currency trader) have issued advisories to get out of Asian currencies and currency bonds, as well as equities, in a clear effort to precipitate a run on the Asian currencies, like that launched by George Soros in 1997. Deutsche Bank told investors that "quickenning inflation" is forcing Asian central banks to raise interest rates, according to Bloomberg.

HSBC advised against "exposure to emerging Asian shares as rising inflation threatens to hurt regional currencies," according to Reuters, which called the move "drastic." HSBC has previously advised that 2.5% of any portfolio be in these emerging Asian shares.

Sweden's Role in Global Biofuels Genocide

June 8 (EIRNS)—The Swedish Scania truck company has been at the center of the worldwide ethanol mania since they introduced ethanol-fueled buses 15 years ago. Scania is the only producer of a heavy engine that can burn it, a diesel engine that runs on 95% ethanol (E95). An old factory which produces ethanol from the Swedish pulp industry in the

North has taken the lead in producing the ethanol and the necessary 5% ignition-improving additive. Called Svensk EtanolKemi AB-SEKAB, it is now going big into Africa and is running 40% of all Brazilian ethanol into Europe.

The Swedish SEKAB is trying to take the lead in the control of ethanol distribution in especially Northern Europe. SEKAB is owned by three power utilities of the cities around the factory, a regional insurance company and the politically controlled Social Democratic gas station chain OK, which last December was sucked into a huge renewed funding of SEKAB to pay for both research into making ethanol from wood, and aggressive land purchases in Africa.

SEKAB made a deal on April 22, 2008, with the Brazilian construction company Constran, to build an ethanol factory in Ghana that would process and buy all sugar cane from a local producer controlling 27,000 hectares. SEKAB also plans to acquire 400,000 hectares (ha) of land in Tanzania and Mozambique for ethanol crop plantations. They now have 20,000 ha in production in Tanzania and 50,000 ha more under development, with the aim of getting 400,000 ha within 30 years.

Tanzania is the longtime prime receiver of Swedish government aid, which now finances the National Biofuels Task Force of the government of Tanzania.

United States News Digest

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- [Bush Regime Ties to Mobster Abramoff Get Fresh Look](#)

Probe of Governor Triggers Warfare Among Illinois Dems

June 12 (EIRNS)—Warfare has broken out in the Illinois Democratic Party over a "talking points" memo drafted by the staff of House Speaker and state Democratic Party chairman Michael Madigan, which was leaked to Associated Press on June 10. The memo, for legislative candidates who want to call for the impeachment of Democratic Gov. Rod Blagojevich, doesn't call for impeachment, but rather investigation of possible wrongdoing by the governor, to determine if there are grounds for impeachment.

Although the excerpt of the memo published by AP focusses on local disagreements in governing, the *Chicago Sun Times* reported June 11, from its copy of the document, that the memo "refers to corruption under Blagojevich as a 'tumor' and notes that 'criminal activity in the Blagojevich administration is no longer theoretical; it is proven.'" The latter is a reference to the recently concluded Tony Rezko trial. Rezko was a major financial supporter of Blagojevich's campaign and a member of his "kitchen cabinet," and the trial was filled with testimony about campaign donations extorted from businesses as a condition for contracts from state administrative boards. Rezko was also a close friend and political ally of

Democratic Presidential candidate Barack Obama.

Immediately after the guilty verdict against Rezko, Federal investigators made it clear it was "full speed ahead" on the larger investigation of the Blagojevich administration, dubbed "Operation Board Games."

High Court Rebuffs Bush-Cheney; Restores Habeas Corpus

June 12 (EIRNS)—For the third time since 2004, the U.S. Supreme Court has rebuked the Bush Administration for its "war on terror" detention policies, initiated and promoted by Vice President Dick Cheney.

Today, the High Court ruled, in a 5-4 decision, that prisoners at the U.S. facility in Guantanamo, Cuba have the right to challenge their detentions in the Federal court system, and that neither the Executive nor the Congress can take that right away from them. In so doing, the Court overturned the habeas-stripping provisions of the Military Commissions Act of 2006, the "torture bill" that was rammed through Congress under extraordinary pressure brought to bear on the Senate especially, by Cheney personally.

Rebutting the Cheney argument (based on the legal doctrines of Nazi jurist Carl Schmitt), that in times of emergency, laws and the Constitution itself can be overridden by the leader (known as the "Unitary Executive"), Justice Anthony Kennedy wrote for the Court's majority: "The laws and Constitution are designed to survive, and remain in force, in extraordinary times."

In affirming the Constitutional separation of powers, the Court stated: "To hold that the political branches may switch the Constitution on or off at will would lead to a regime in which they, not this court, say 'what the law is,'" Justice Kennedy wrote, referring to the famous 1803 ruling in *Marbury v. Madison*, in which the Supreme Court asserted its power to review acts of Congress to determine whether they comport with the Federal Constitution.

Bloomberg Pushes Infrastructure Scheme in U.S. Senate

June 12 (EIRNS)—New York City Mayor Michael Bloomberg appeared before the Senate Banking Committee, chaired by Sen. Chris Dodd (D-Conn.), to testify on the subject of "The Condition of our Nation's Infrastructure: Local Perspectives from Mayors." In his opening statement, Bloomberg boasted about his role in the Building America's Future coalition (on whose letterhead his printed statement was prepared), all the money his administration is spending on transit, water, and sewer infrastructure, and the still unmet needs of the region.

The subject of public-private partnerships was raised by Sen. Richard Shelby (R-Ala.), the ranking Republican on the committee, who wanted to know what "impediments" mayors faced in using PPPs. Atlanta Mayor Shirley Franklin and Bloomberg both replied that the biggest impediment is the lack of a revenue stream—i.e., the guaranteed looting rights that investors will insist on, before putting in a penny to urban infrastructure. Bloomberg complained that the New York State legislature rejected his "congestion pricing" scheme for the city, which he claimed would generate a revenue stream which could then be used to attract private investors. The measure would have imposed a stiff fee on drivers in Manhattan during peak hours.

Obama Team's 'Behaviorist Economics': Turn Humans into Monkeys

June 10 (EIRNS)—The economic team of Democratic candidate Barack Obama is part of a sub-cult at the University of Chicago known as "behaviorist economics." They see their theories as the middle ground between Keynesian (regulated) and Friedmanite (free-market) economics. Their idea is, that the problem with Milton Friedman's theory of "self-correcting

markets" is that humans act irrationally, causing panic selling, runs on banks, freeze-ups of credit markets, and other undesirable effects. Government regulation must therefore use behaviorist reward-and-punishment techniques to restrain the humans, so that the markets can continue.

Obama advisor Austan Goolsbee's mentor Richard Thaler and colleague Cass Sunstein are leading lights of this school, a radical fringe of the "mainline" Friedmanites at the University of Chicago, where Obama taught law for ten years. Thaler and Sunstein have just authored a book, *Nudge: Improving Decisions About Health, Wealth and Happiness*; their solutions run to things like transparency in credit card (and presumably home loan) disclosures, and a public Greenhouse Gas Inventory, designed to "shame" offending industries to "clean up" their act.

There is an uglier side to this program, however, as revealed by Goolsbee in an article for *Slate* in 2006, "Where the Buses Run on Time: The Lure of Incentive Pay." This study of the Chilean economy, where "incentives" are given to bus drivers for punctuality and passenger totals, shows where this "behavior modification" is leading. Chile's program is a remnant of its fascist past, and has many similarities to the "Opportunities NYC" welfare incentive program implemented by Mayor Michael Bloomberg last year, with the help of Rockefeller Foundation president Judith Rodin. Here, the idea of "state regulation" is turned on its head, to protect the market economy and reduce the human population to "incentivised" roles.

House Democrats Want Special Counsel on Detainee Abuses

June 9 (EIRNS)—In a letter dated June 6, sixty Congressional Democrats, led by House Judiciary Committee chairman John Conyers (Mich.), sent a letter to Attorney General Michael Mukasey, requesting the appointment of a special counsel "to investigate whether the Bush Administration's policies regarding the interrogation of detainees have violated federal criminal laws. There is mounting evidence that the Bush Administration has sanctioned enhanced interrogation techniques against detainees under the control of the United States that warrant an investigation."

The letter refers to information that surfaced in May about top Administration officials meeting in the White House and personally approving the illegal techniques, and President Bush approving the results. The specific statutes that could have been violated, the letter states, are the Federal War Crimes Act, the Anti-Torture Act, and other U.S. and international laws.

Bush Regime Ties to Mobster Abramoff Get Fresh Look

June 9 (EIRNS)—The Bush Administration tried to play down its ties to political mobster Jack Abramoff, after it "conducted an inadequate and incomplete internal review" of its years-long collaboration with the Republican lobbyist who is now serving a 70-month sentence in Federal prison. That's the conclusion of a new report of the House Oversight and Government Reform Committee, chaired by Rep. Henry Waxman (D-Calif.) The committee's "proposed report" states that the evidence it examined "contradicts White House claims that with respect to his White House contacts, Mr. Abramoff got nothing out of it. Not only did Mr. Abramoff achieve some positive results from his White House lobbying, but White House officials sought out the views of Mr. Abramoff and his colleagues on matters of official business." Abramoff, who was up to his neck in a number of shady operations, including Indian-run gambling casinos, "influenced some White House actions," the new report says.

"The documents provided to the Committee by the White House document over 70 new contacts between Mr. Abramoff and his associates and White House officials," the report states. A September 2006 report by the same committee said Abramoff and his operatives had 485 contacts with White House officials, a figure the White House challenged. "The White House documents and e-mails do not corroborate 401 of the lobbying contacts described in the Greenberg Traurig documents," the report states, according to the Capitol Hill-based publication, *The Hill*.

According to the report's executive summary, the committee's investigation "was hindered in several ways that limit the scope" of its conclusions. Among them, "six individuals, including three former White House officials that the Committee sought to depose or interview refused in whole or part to answer the Committee's questions on Fifth Amendment grounds," the report states. These included Matt Kirk, a former top White House legislative affairs official; Susan Ralston, former assistant to White House Deputy Chief of Staff Karl Rove, who was also Abramoff's assistant; and Jennifer Farley, former deputy associate director of the Office of Intergovernmental Affairs at the White House.

Ibero-American News Digest

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Mexican Senator: Remove Agriculture from WTO, NAFTA!

June 12 (EIRNS)—Pointing to free trade as the cause of the world food crisis, Sen. Heladio Ramírez López, chairman of the Mexican Senate's Rural Development Committee, called this week for agriculture to be removed from the World Trade Organization (WTO) and the North American Free Trade Accord (NAFTA), as the only way to end the world food crisis.

Speaking to a June 10 hearing of his Senate committee, with World Bank and FAO (UN Food and Agriculture Organization) representatives present, Ramírez López argued that to solve a world food crisis in which 845 million people worldwide are underfed, and another 100 million on the verge of malnutrition, markets and international trade must be regulated, agriculture removed from the WTO and NAFTA, free access to water, seeds, and land provided to peasant and farm families, and a stop put to speculation with hunger, he told the hearing.

The world has to decide between producing to eat, or for fuel, he added. Where does the Mexican government stand on this?

This old-line, nationalist politico, who formerly headed the PRI party's National Peasant Federation (CNC), demanded that the government take up its Constitutional responsibility to guarantee Mexico's food security. Food production and trade cannot be left in the hands of the multinationals, he said. Instead of repeating the British mantra that protectionism is the problem, Ramírez insisted that the Mexican government protect its farmers.

As food becomes the number one political issue in the country, six sitting and two former Mexican Congressmen, including Ramírez Lopez's counterpart, the chair of the Rural Development Committee in the Chamber of Deputies, Congressman Carlos Navarro López, have endorsed Schiller Institute international chair Helga Zepp-LaRouche's call to bury the WTO in order to double world food production.

WWF's Mexican Synarchists Praise Hitler

June 10 (EIRNS)—Close associates of Synarchist agents José Luis Luege Tamargo, head of the water agency Conagua, and Agriculture Minister Alberto Cárdenas, are trumpeting their admiration for Adolf Hitler. The British Empire's Worldwide Fund for Nature (WWF), which has seized control over Mexico's food and water policy, operates through agents such as these.

The nazis in this case are two leaders of the National Synarchist Union (UNS), which just jointly established a new fascist party in Mexico with Rene Bolio, who is both the longtime protégé of Luege Tamargo, and the former national campaign manager for Cárdenas, when he was a Presidential candidate in 2006.

Fernán González, president of the UNS in the state of Puebla, proclaimed that Hitler, and Spain's Generalissimo Francisco Franco, "were great leaders in their day, correct in their policies to eradicate many evils which afflicted their people.... I admire them," González bragged, according to the May 26 edition of the Mexico City daily *Excelsior*.

Austreberto Martínez Villegas, national secretary of the UNS-Civil movement, was only slightly more circumspect, arguing that, while the UNS does not agree with everything Hitler did, his role in history must be analyzed "objectively.... We can see that he carried out interesting work in the context of the Germany of his time.... There are some economic measures which we could look into how they could be applied in our day."

Although González and Martínez represent the "civil" branch of the UNS, whereas it is the "political" branch which has organized the new party with Bolio, they share their support for nazi economics with Luege Tamargo, Cárdenas, and their British imperial controllers in the WWF. The new party, the Participatory Solidarity Movement Party, is slated to be officially recognized by the electoral authorities at the end of June.

Argentine President: We Will Defend the Nation

June 9 (EIRNS)—In a nationally televised speech today, Argentine President Cristina Fernández de Kirchner delivered a sharp message to agricultural producers who have been on strike intermittently for more than 90 days, to protest taxes the government increased last March, on exports of soybeans and sunflower seeds. The strike is an attempt by the British Empire faction to bring down the government, alleging that an "authoritarian" President is "robbing" producers' profits, by demanding more regulation. That argument has not worked too well, and the agro producers, led by the oligarchical Rural Society, are on the defensive.

The increased taxes are protectionist in nature, Fernández underscored, and are necessary for two purposes: to guarantee the nation's food security, and to ensure fair income-distribution, aiding citizens without jobs or homes. To those producers who are screaming about higher export taxes, the President noted with some irony, that perhaps she had failed to sufficiently explain her policies, or had been disingenuous in assuming that producers would understand the need to assist those who have less.

Let's get one thing straight, Fernández de Kirchner said. If we are serious about tackling poverty, people should understand that it is "impossible" to do so, "without income redistribution and without touching the extraordinary profits" of certain sectors.

She announced the creation of a Social Responsibility Fund, which will use the revenue from the higher taxes to build a series of projects nationwide, including 30 large hospital complexes, 300 primary health-care centers, and affordable housing and roads in rural areas.

Fernández stated: "I am the President of the Republic," not just the other side in some argument. "I must govern for all Argentines, and when I make decisions, I do so to benefit all Argentines."

Ecuador Documents Robbery Through Foreign Debt

June 11 (EIRNS)—The special commission that is auditing Ecuador's foreign debt has reported to President Rafael Correa that a portion of that debt is illegitimate, and that the overall handling of the debt was so rife with irregularities and mismanagement, that millions of dollars were lost to the government.

As Correa put it, it was a "heist."

Speaking in the province of Chimborazo June 7, Correa said that after receiving the first report from the Commission on the Integral Auditing of Public Credit, he felt "indignation ... there is no name for what was done with the debt—it is a assault on the country, it is illegitimate." He vowed that criminal charges would be brought against those "who sold out the country, who sold themselves, and there will be administrative and civil actions taken to annul the illegitimate debt."

Correa described one aspect of the fraud: Often, "Ecuador's lawyers were also the creditors' lawyers; their address in Ecuador was also the address of the creditors' law firm. Since Citibank prepared the documents for us, Ecuador's attorney would just come in and sign it. That is, our people were acting on behalf of the creditors instead of the country!"

Correa charged that in all of these dealings, the central bank acted in complicity with the finance minister at the time. Despite this, Correa said, "there are still people who say the central bank should be autonomous—autonomous from the country and its fellow citizens, but totally dependent on the creditors ... and on that international bureaucracy, like the IMF.... They stole billions of dollars, always the same old miserable people who today work for the World Bank, IMF, or Inter-American Development Bank."

A final report is expected within 45 days.

Chilean Workers Strike vs. High Fuel and Food Prices

June 6 (EIRNS)—This week saw an explosion of strikes in Chile by workers fed up with rising fuel and food prices, and frustrated by the Bachelet government's failure to overturn the neoliberal economic and social policy associated with the 1973-1990 Pinochet dictatorship.

A strike by long-haul truckers, demanding government action on the price of diesel fuel and high tolls, particularly rattled the government, because this mode of transport is the only way that food, raw materials, and other essentials are delivered to the rest of the country. There are no functioning railroads, as these were destroyed by the Pinochet dictatorship and never rebuilt. Once the truckers' strike began to affect food supplies in the interior, and threatened mining operations in the North, the government agreed to a 50% decrease in the tax on diesel fuel, and promised to keep the price stable over the next three months.

But several other sectors mobilized over such issues as the rising cost of living. The consumer price index rose by an unexpected 1.2% for May, due to higher fuel and food prices. On June 4, employees for the postal service went on strike over wages. High school and university students, as well as professors, held a nationwide strike to protest the government's education reform law.

The reform is supposed to strengthen public education which was essentially dismantled by the Pinochet dictatorship, but students and teachers, with backing from Socialist Party legislators, say it doesn't go far enough. The right-wing Alliance for Chile is threatening to sabotage the reform altogether, should the government respond to protests by improving on the proposed law.

According to an activist who worked with the LaRouche movement in the 2005 fight to defend social security, people have had it with a "socialist" government "whose policies aren't socialist, but rather free-market ones."

Western European News Digest

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- [European Union: Let Them Eat Biofuels](#)
- [Attempt To Counter Italy's Guarino on Lisbon Treaty](#)
- [Merkel Pushes 'Anti-Protectionist' Financial System](#)
- [EU-U.S. Summit Joint Declaration on Iran, Kosovo](#)
- [Hyperinflation Hits Manufacturers in Great Britain](#)

Italian Magazine Pushes LaRouche Solutions

June 12 (EIRNS)—The monthly magazine *Bergamoeconomia*, published in the northern industrial city of Bergamo, Italy, dedicated its May 2008 issue to LaRouche's New Bretton Woods policy. The glossy cover ran a picture of LaRouche representative Claudio Celani, who was the guest at a conference in Bergamo April 10, organized by the local small industrialists association, Apindustria, under the headline, "A New Bretton Woods for an economic upswing," and a caption: "Economist Claudio Cesani [sic], 30 years with Lyndon LaRouche in the fight against Marketism, guest of the young industrialists of Apindustria Bergamo." Celani is identified as deputy chairman of the Movimento Solidarietà.

Although not a large city, Bergamo is at the center of a highly industrialized region in Lombardy, the most productive in Europe; the GDP of the province of Bergamo is equal to that of some European nations. *Bergamoeconomia* online is at: www.ilnuovogiornaledibergamo.it/Inseriti/bgeconomia9.pdf.

European Union: Let Them Eat Biofuels

June 12 (EIRNS)—Truckers' strikes and protest actions against escalating diesel and fuel prices are spreading throughout Europe, causing fuel and food shortages. The hard line that the governments and the European Union are taking against the strikers, suggests that the crisis is being used to further the European Union fascist dictatorship, to force implementation of a genocidal energy policy. Both the national governments and the European Commission have been protecting the British-Rotterdam spot market and all other forms of speculation, while calling for an increase in biofuels and implementation of more neoliberal restructuring policies.

In Spain, 70,000 truckers, more than 20% of the industry workforce, mostly independent operators, continue their strike and road blockages, with the government taking deploying 25,000 police to break them up. Gas stations all over Spain are running out of gas, while fresh meat, vegetables, and fruits are disappearing from market shelves. Car manufacturers SEAT, Nissan, and Mercedes have suspended production for lack of parts.

The government has offered nothing, refusing to lower taxes on diesel, and "opposing guaranteed rates, saying it would be against EU free-market principles," according to the *London Guardian*.

In Portugal, Lisbon Airport has run out of aviation fuel, with only military and emergency aircraft being fueled.

There is fear in the capitals of Italy, France, and Britain that the strikes could spread. Italian truckers are planing a five-day strike at the end of the month. The British government is drafting contingency plans for July 2, when British truckers target London for a mass protest. There were reports of cars lining up at gas stations as it was announced that truck drivers from Shell are planning a four-day walkout. In Poland, 50,000 truckers staged one-hour protests.

EU Commission president José Manuel Barroso, in a statement, declared that high prices are here to stay, "At the heart of our approach is the full implementation of the Commission's energy and climate change proposals including increased energy diversification, security of energy efficiency...."

Gasoline in Spain costs the equivalent of \$4.55 a gallon; in the Netherlands, it is \$6.48/gallon.

Attempt To Counter Italy's Guarino on Lisbon Treaty

June 10 (EIRNS)—According to media reports, the Italian government is using sophistical tricks to dismiss the growing impact of Prof. Giuseppe Guarino's challenge to the Lisbon Treaty. Guarino, the dean of Italian constitutionalists, has written a book which has spurred a debate even before its publication, in which he calls for not ratifying the Lisbon Treaty, because it would surrender national sovereignty to a supranational "organocracy." Sources in the Italian government, according to an article in the financial daily *Il Sole 24 Ore*, have dismissed Guarino's charges on the grounds that "charges of unconstitutionality have been rejected both by the European Court of Justice and by the German Constitutional Court."

These are outright lies. First, the European Court of Justice can only judge on conflicts between national laws and EU laws, but has nothing to say on national constitutional laws. And the German Constitutional Court has not issued any pronouncement on the Treaty, although at least three challenges are being examined.

(See InDepth for Helga Zepp-LaRouche's strategic analysis of the results of the historic Irish "No" vote on the Lisbon Treaty.)

Merkel Pushes 'Anti-Protectionist' Financial System

June 11 (EIRNS)—German Chancellor Angela Merkel proposed to replace the "Anglo-Saxon" system of financial markets with a European rating agency, in an interview with the *Financial Times*. Merkel's scheme comes one day after former French President Valéry Giscard d'Estaing, one of the fathers of the Lisbon Treaty, pushed an anti-American, Euro-synarchist model of a world monetary system. In both Giscard's and Merkel's scheme, the central role is played by the "independent" European Central Bank, and no "protectionist" policies are allowed.

According to the *Financial Times*, Merkel "refused to endorse remarks by German President Horst Köhler, that international financial markets were a 'monster,'" but "exercised easy criticism against the securitization industry." Merkel

also "indirectly criticized Josef Ackermann, the Deutsche Bank chief executive, who said he no longer believed in the 'self-healing force of the market.' She warned that the backlash against the banks must not be hijacked by opponents of free trade: "We should not give protectionism an open flank."

"The chancellor praised the euro as having allowed the economy of the EU to partially decouple from the US, at least in the industrial goods area, if not in financial markets, and reaffirmed her support for the independence of the European Central Bank. 'If we decide to subject the actions of the ECB to political contingencies, there will always be one or several countries with good grounds to influence the ECB. I say beware: we need crystal-clear principles or we will shake confidence in the euro,' " the daily reported.

EU-U.S. Summit Joint Declaration on Iran, Kosovo

June 11 (EIRNS)—The declaration at the conclusion of the European Union-U.S. summit, held June 10 in Slovenia, dealt with the Iran nuclear program and Kosovo, among other things.

The section on Kosovo does not mention independence, but says, "We will continue to support the stability and security of Kosovo and its regional integration, and will assist Kosovo in its economic and institutional development. We note that the Kosovo authorities are committed to the objective of a stable, democratic and multi-ethnic society. We commend NATO's contributions to Kosovo, as well as those of the OSCE. We will cooperate on completing a smooth transition from UNMIK to EULEX responsibility for the rule of law and its full deployment throughout all of Kosovo, which is essential for the stability of Kosovo. The EU welcomes U.S. participation in the EULEX mission."

Hyperinflation Hits Manufacturers in Great Britain

June 10 (EIRNS)—The London *Guardian* reports today that while costs for fuel and raw materials in Britain had decreased between 1986 and 2004 by 2%, they rose 24% between January 2004 and January 2007. But since the beginning of this year, they have risen 33%. In the last 16 months, they have risen more than they have the last 21 years. This has pushed up prices of the goods produced by 8.9%.

Consumers could be hit by energy price hikes of as much as 38%, even more brutal than the 15-20% increase already imposed. All of this, the *Guardian* writes, points to an interest rate increase by the Bank of England.

Russia and the CIS News Digest

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Ivanov: Russia Must Spend 4% of GDP on Infrastructure

June 9 (EIRNS)—Russia must raise spending on infrastructure development from the current level of 2.5% of GDP to 4%, Deputy Prime Minister Sergei Ivanov said on June 8 at the International Economic Forum in St. Petersburg. The statement, excerpted by the Novosti and Interfax agencies, echoed Prime Minister Vladimir Putin's recent exclamation that, "Without

infrastructure, we have no future," but the question of how to finance the needed projects is a topic of hot debate in Russia.

The country's shortages of transportation connections, especially roads, cannot be overcome in a short period of time. "In a country with such a large territory, these problems cannot be solved in five or ten years. They can only be solved over several decades," Ivanov said. In most Russian regions, roads are not improving, but there are some substantial improvements in and around cities, he added. "Certain roads are appearing. In St. Petersburg, a ring road has already been created, to the standard of European roads." The deputy minister cited a poll of participants at the Petersburg forum, which found that around 75% of businessmen believed the government should prioritize spending on transport infrastructure.

Ivanov is the deputy prime minister in charge of the defense industries and infrastructure. Indicating resistance to government spending in these areas, he reportedly introduced Putin at the recent Sochi transportation conference by asking those who disagreed with the policy that was about to be presented, to leave the room.

In St. Petersburg, Ivanov also said that Russia currently has a severe shortage of small businesses engaged in science-intensive areas, and that the country needs to set up venture capital funds to develop science. "There are virtually no small businesses engaged in science-intensive spheres. The creation of technology parks contributes to the development of this area, edging out enterprises engaged in primitive trade. Also various funds, in particular, the Russian Venture Capital Company and the Russian Fund of Technological Development, contribute to developing this area," Ivanov said.

Ivanov told the forum that Russia would never be able to solve its main economic problems or raise its competitiveness without developing innovation. Comprehensive and balanced approaches to innovations, science and business partnerships, and the stimulation of business to develop innovations are Russia's top priorities in this area, Ivanov said. Personnel training, in particular youth training, was important for developing innovation: "This is because innovation is investment in people, in their education."

Moscow Mayor Revives Siberian River Diversion Scheme

June 7 (EIRNS)—Addressing a St. Petersburg International Economic Forum panel on fresh water today, Mayor Yuri Luzhkov called for reviving the great project to divert water from the Ob basin (the westernmost of Siberia's three great river systems) into southern Russia and Central Asia. Luzhkov said that the 5-7% of the Ob system's flow, planned for utilization under the project 20 years ago, could irrigate 1.5 million hectares of semiarid land in Russia itself. Additional quantities could be sold to the Central Asian countries.

There has been a buzz in leading Russian circles lately about water sales as a future bonanza, if an international water market takes shape. Russia has 20% of the world's fresh water, although 70% of it is badly polluted.

U.S. Senate Holds Russia-Bashing Session on Oil

June 13 (EIRNS)—Sen. Joe Biden's (D-Del.) Senate Foreign Relations Committee turned the floor over to Zbigniew Brzezinski and Leon Furth (Al Gore's national security advisor) to rail against Russia's supposed intentions to use its oil and its oil wealth to control Europe. Brzezinski, who has been functioning as a foreign policy advisor to Democratic Presidential candidate Barack Obama, spoke on the "Great Game in the Caspian," warning against the "resurgence" of Russia. Biden warned against Russia's \$127 billion sovereign fund, which it is using to buy power. The government "threatened to expand their holding considerably," he added. The witnesses called for new pipelines from Central Asia which can cut out Russian dominance, and a "shared European effort that can confront Russian dominance."

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Maliki Says Talks with U.S. at Dead End

June 14 (EIRNS)—Talks between the United States and Iraq on a long-term security agreement have apparently reached an impasse, on the subject of Iraq's sovereignty. Iraqi Prime Minister Nouri al-Maliki said on June 13 that "the Iraqi demands are unacceptable to the Americans and the American demands are unacceptable to the Iraqis, and the result is that we have reached an impasse." He added, "The Iraqis will not consent to an agreement that infringes on their sovereignty." The demands of the U.S. delegation have become a very hot issue in Iraq in recent weeks, and the intense criticism has forced Washington to retreat on at least one major point. Foreign Minister Hoshyar Zebari reported from his latest discussions, "The Americans did agree to remove the special contractors, security contractors" from immunity to prosecution under Iraqi law.

Meanwhile, the National Security Archive at George Washington University has posted documents acquired through the Freedom of Information Act, that show that the U.S. began making such demands not long after the invasion in March 2003. The documents, mostly from November and December 2003, show that the Bush Administration was demanding unlimited authority to conduct military operations; the "absolute" prerogative to detain, interrogate and intern Iraqis; the right to establish its own rules of engagement; complete freedom of movement entering, departing, and within Iraq; full immunity for U.S. forces and contractors, and so on—in other words, many of the same demands the administration is making in the current negotiations. The heavily redacted documents don't reveal a lot of detail, but the administration wanted the security agreement approved by the Iraqi Governing Council, the fig-leaf government appointed by the U.S. in the Summer of 2003. The eruption of the insurgency at the same time made that impossible, but U.S. proconsul Paul Bremer did give security contractors immunity from Iraqi law in his infamous CPA General Order 17, just before he departed the country in June 2004.

Internal Tensions Re-Emerging in Iraq

June 15 (EIRNS)—New tensions are emerging again in Iraq between rival Shi'ite factions. Mahdi Army head, Shi'ite cleric Muqtada al-Sadr, partially ended the one-sided ceasefire against the Iraqi government and the foreign occupiers, this weekend. Al-Sadr, who has been studying at Shi'ite seminaries in Iran, made two important pronouncements: first, that the Mahdi Army will not run candidates in the October 2008 elections, but instead will support "technocrats," and individual candidates from tribes, regional groups, and other parties. Al-Sadr also sent a message to the Friday prayer meetings, that

select groupings of his Mahdi Army—and those groups alone—will be authorized to fight the U.S. occupation militarily. According to the BBC, Sadr's statement said: "Weapons will be in the hands of this group exclusively and will be directed only at the occupier." The rest of the militia, believed to number some 60,000 members, would focus on civic projects and religious initiatives that serve the needs of the Shi'ite community, Sadr said.

In response, the Maliki government (the prime minister is also a Shi'ite), is amassing Iraqi troops for potential action in southern Iraq against the Mahdi Army.

Sadr's unilateral ceasefire, declared in Summer 2007, and renewed in January 2008, is one of the main reasons for the drop in violence, including in U.S. casualties under the so-called Petraeus Surge. If it falls apart, the failure of the surge would quickly become visible.

Assad Moves Closer to Russia-India-China Triangle

June 13 (EIRNS)—Syrian President Bashar al-Assad will visit India early next week, to strengthen bilateral ties, the official Syrian newspaper, *Trishin*, announced today. The sudden decision indicates the growing importance of the Russia-India-China relationship, which has consolidated significantly over the past month. The Syrian President's visit to India will be the first by a Syrian head of state in 20 years.

The Doha Accord on the Lebanon crisis, signed last month, is being seen as a victory for Syria's policy, marking the opening of a new chapter in Syrian-Lebanese relations. Indirect talks are going on between Syria and Israel through Turkey. However, in order to make this work, the presence of the other nations that is supportive of a Palestinian state is essential. In an interview with the Indian daily *The Hindu*, Assad said: "Now we are talking about a different India! We are talking about the rise of India. With the rise of India and China we have a different Asia and a different world. We have, let us say, more hopes than we had in the past. Maybe the policies of India at that time were different as part of the Non-Aligned Movement. At that time, we used to look at India as a closer country, but now we see it as an important country; so we have different hopes but in the same way. The question is, what role can India play in the world, especially regarding our issues, like the peace issue, the Iraq and Palestine issues, and all these problems."

Syria has enjoyed a long security relationship with Russia.

Russia has reportedly been working on deepening the Syrian maritime port of Tartus, used by the Soviet Union and later Russia as a supply point; and widening a channel in Latakia, another Syrian port. The ports are significant for both Syria and Russia, in that they face the outlet of the Ceyhan end—the receiving end—of the Baku-Tbilisi-Ceyhan oil pipeline, giving Russia and its partners the ability to secure the port and route in case of any future war in the region.

In December 2005, India and China won a joint multimillion-dollar bid to buy Petro-Canada's 37% stake in Syrian oilfields.

Israel: Early Elections Almost Inevitable

June 11 (EIRNS)—A bill to dissolve the Israeli Knesset and call for new elections is expected to pass the Israeli parliament next week. It will be submitted by the Likud party, but is said to already have the support of 74 of the 120 Knesset members, including members of the Labor and Shas parties, who are in the government coalition, and the pro-peace Meretz party. If passed, elections would probably be held in November, after the U.S. elections.

The issue now is Prime Minister Ehud Olmert's legal entanglements, including ongoing police investigations for corruption

and fraud. Olmert, after meeting with top Kadima Party officials, announced today that the party has to prepare for primaries, which will most likely take place in September.

Sarkozy Invites Assad for National Day Celebrations

June 12 (EIRNS)—French President Nicolas Sarkozy officially invited Syrian President Bashar al-Assad to attend France's July 14 national day celebrations. Sarkozy has already invited Assad, as well as Israeli Prime Minister Ehud Olmert, to attend a summit in Paris on July 13, where Sarkozy hopes to launch his idea of a Mediterranean Union.

In response to criticism of the visit from leftist opposition parties, French Prime Minister François Fillon said that "Syria has fulfilled its obligations regarding the conflict in Lebanon." And as for Syria's invitation to the summit he said, "It is imperative that all the Middle Eastern countries sit at the table together."

Syrian Culture Minister Riad Nassan Agha is in Paris today and is the first Syrian minister to visit France in three years.

Senegal Hosts Hamas-Fatah Reconciliation Talks

June 9 (EIRNS)—Reconciliation talks between the Palestinian factions Hamas and Fatah were held in Dakar, Senegal, under the sponsorship of President Abdoulaye Wade, in his capacity as chairman of the Organization of the Islamic Conference (OIC). Wade had offered his services to Hamas and Fatah in March, and this is the first meeting.

"The Palestinian representatives ... thank the mediator for managing to restore an atmosphere of trust and mutual respect, which allowed them to discuss the fundamental interests of the Palestinian people," stated a communiqué signed by Hikmat Zeid of Fatah and Emad Khalid Alamy of Hamas, and Senegal's Foreign Minister Cheikh Tidiane Gadio.

According to the President of Senegal's Office, the mediation will take place over seven stages, but there was no elaboration.

Meanwhile, according to the Israeli daily *Ha'aretz*, Ismail Haniyeh, Hamas leader in the Gaza Strip, spoke by telephone with both Syrian President Bashar al-Assad and Egyptian intelligence chief Omar Suleiman on June 7, about attempts at reconciliation between the two factions.

Syria-Turkey Propose Joint Nuclear Energy Project

June 14 (EIRNS)—Syrian Oil Minister Sufian Alao was quoted by Turkey's state news agency saying that Syria and Turkey are considering setting up a joint energy company that would build nuclear power stations, and explore for oil in Turkey. According to Israel's *Ynet* Internet daily, the general director of the Turkish state energy firm TPAO, Mehmet Uysel, said that the two countries had decided to set up a joint energy company, and that a deal could be signed by the end of the year.

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U.S. Charges India Is Working for Demise of Doha Round

June 10 (EIRNS)—U.S. Under Secretary of Commerce Christopher Padilla, who served as chief of staff and senior advisor to Deputy Secretary of State Robert B. Zoellick before being named to his present post, accused India of torpedoing the Doha Round of trade talks, and creating a crisis for the World Trade Organization (WTO).

"It is disappointing that India has been a roadblock to success in the Doha negotiations," Padilla declared at a forum on "Responsibility and Partnership in the 21st Century," organized by the Heritage Foundation in Washington. He said India was continuing to insist that it and other developing countries be protected from any real market-opening in industrial goods, agriculture, or services, while asking developed countries to do more and more. "The time is fast approaching when India's stance on Doha may result in the failure of the Doha Round," he said.

"The Doha Round negotiations are not a donors' conference. They require major economic powers like India to step up and take responsible leadership, rather than working behind the scenes for Doha's demise," he added.

Anti-WTO Farm Leaders of India Say: Get Out of WTO

June 13 (EIRNS)—Ahead of a World Trade Organization (WTO) ministerial meeting in July, for finalizing drafts on Agriculture and Non-Agricultural Market Access (NAMA), India's top 30 farm leaders had a day-long session in New Delhi on June 12 on the draft presented by the WTO earlier this month, and came out with a resolution that "India should come out of the WTO and should not sacrifice the livelihood of 800 million farmers, *adivasis* [indigenous peoples], *dalits* ["untouchables"], and rural women."

"India should not dilute its position at the WTO negotiations, as the 'special products' (SP) and Special Safeguard Measures (SSM) offered to us, are only a smokescreen and offer no real protection to Indian agriculture, fisheries and forestry," the resolution underlined.

The resolution is expected to have a major impact on the ruling coalition government, in light of the fact that the opposition, and some within the ruling coalition, are focussing attention on the weakening agricultural sector.

India's general elections will be held in April 2009, and agricultural areas represent 70% of the nation's voters. It is likely that New Delhi will find it difficult to ignore what the farm leaders so clearly resolved.

Britain Plans To Remove U.S.-Backed Afghan President

June 11 (EIRNS)—The leaked release of a confidential report by the U.K. government may set the stage for British troops' planned extended stay in Afghanistan, and takeover of Kabul. The document, allegedly compiled by British diplomats, said Afghanistan's growing drug trade and the corruption of its government will prolong the Taliban insurgency against British troops. The document was designed to undermine the authority of U.S.-backed President Hamid Karzai and could be used to push for his removal. Britain has long been trying to remove Karzai and take control of Kabul.

In a briefing paper for the prime minister marked "Confidential," U.K. diplomats say that Karzai is refusing to take on the drug lords, and has allowed major players in the opium trade to take up senior government posts. Growing links between the drug trade and the insurgency in the South will provide longevity to the Taliban, the document says. In the South, the drug trade is fuelling the insurgency. It adds: This is compounded by government corruption. Karzai chooses to avoid rocking the boat with powerful narco-figures and has not blocked their appointment as governors or other senior officials.

Britain Weakens U.S. Relations with Karzai and Pakistan

June 13 (EIRNS)—The shooting incident on June 11 that led to a U.S. airstrike which killed 11 Pakistani paramilitary soldiers on a security post in the Mohmand Agency bordering Afghanistan and Pakistan, has further jeopardized U.S.-Pakistan relations and has weakened U.S.-backed Afghan President Hamid Karzai.

The reason for the incident—details of which remain hazy—will further harden Pakistan's military position against Kabul. It is a foregone conclusion derived years earlier, that stability along the Afghanistan-Pakistan border cannot be achieved without full cooperation from the Pakistani military. It is also a certainty that Karzai's authority will be further undermined unless the border becomes peaceful. This incident promises to undermine both.

The British attack on Karzai has intensified since last Winter, when, on Dec. 26, 2007, Kabul expelled two MI6 agents, masquerading as a British senior UN official, Mervyn Patterson, and an Irish senior advisor to the European Union mission, Michael Semple. The two were found financing the arming and training of a group of Afghan Taliban in Helmand province, without Kabul's knowledge. The Taliban were ostensibly being trained to carry out the British objective of capturing Kabul, toppling Karzai, and putting in place, their own "Taliban."

Subsequently, on Jan. 16, Lord Paddy Ashdown, Britain's former Liberal Democratic leader, was put up by London to become the new United Nations "super envoy" to Afghanistan. On Jan. 28, Karzai put on display his proud Afghan temper and shot down the presumptive candidate publicly, in a interview with the BBC.

UN Finally Admits: Myanmar Is Helping Cyclone Victims

June 10 (EIRNS)—While the British government and press whores continue to quote a (fraudulent) claim from several weeks ago, that less than half of the over 2 million people affected by Cyclone Nargis in early May had received relief assistance, UN Undersecretary General for Humanitarian Affairs John Holmes has finally admitted the truth about Myanmar's aid efforts.

Holmes told the press on June 8 that "relatively few" survivors had not been reached. "I think people are getting to all the main places, although, as I say, many people are still in significant need of aid."

An even more important admission is that the main roadblock to the aid process is a lack of funding, as only \$20 million of the required \$50 million has been contributed. Myanmar estimates that reconstruction will cost \$10 billion.

About 250 experts from the UN, the Myanmar government, and the Association of Southeast Asian Nations (ASEAN) began a ten-day village-by-village tour of the hardest-hit area, the Irrawady Delta, to determine reconstruction needs.

Shultz's Agents in Malaysia and Philippines Hold Pow-Wow

June 10 (EIRNS)—Anwar Ibrahim, the Malaysian opposition leader who is a jointly owned asset of George Shultz and Al Gore, travelled to the Philippines this week for a grand get-together with the Shultz assets in that country who carried out the U.S. coup against President Ferdinand Marcos in 1986, under the cover of "people's power." The coup was aimed not only at the Philippines, but all of Southeast Asia (and the Third World generally), as a demonstration that the Anglo-Americans would no longer permit any nation to develop nuclear power or implement a Green Revolution.

Then came Malaysian Prime Minister Dr. Mahathir bin Mohamad, who told George Soros and the International Monetary Fund in the 1997-98 Asian financial crisis to keep out of Malaysia, imposing currency controls and ending speculation and speculative looting. His deputy, Anwar Ibrahim, already an IMF darling, was set loose to create a "people's power" revolt to bring him down, on behalf of the same vultures in Washington who did it in the Philippines—with Al Gore joining the team.

Anwar, who is now working to overthrow Prime Minister Abdullah Badawi, were in Manila to join forces with his fellow Shultz-agents, who are also trying to dump President Gloria Arroyo.

Anwar met with Cory Aquino (who was placed in office after Marcos was deposed, and quickly followed Shultz's orders, by shutting down the completed nuclear plant in Bataan, and scrapping the Green Revolution which had made the Philippines self-sufficient in rice). He then met with Gen. Fidel Ramos (who drove Marcos out of the country, and later repeated the process against President Joseph Estrada in 2001). Anwar then met with former Speaker of the House Jose de Venecia, a Ramos cohort, who is leading a campaign against China and against President Arroyo.

Truckers Across Asia Mount Stoppages and Strikes

June 11 (EIRNS)—Strikes are spreading across Asia, where consumers and truckers are hit by the skyrocketing price of oil. Major trucking strikes are reported in South Korea, Thailand, and Hong Kong.

In South Korea, many causes have come together to provoke a massive series of demonstrations and protests against the government, the cost of fuel being only one factor in the discontent. The Korean Transportation Worker's Union announced a general strike starting June 13.

The Transportation Federation of Thailand claimed today that it has idled 120,000 of Thailand's 700,000 trucks to protest high fuel prices. "If we work we lose money, it's better not to work," said Thongu Kongkhan, secretary-general of the union. Fleet and private operators have demanded that the government help lower the rising cost of fuel.

Central Hong Kong was brought to a standstill today when drivers blocked two of the island's key thoroughfares.

Africa News Digest

- [Efforts To Provoke Regional War Continue in Horn of Africa](#)

- **Senegal Hosts Hamas-Fatah Reconciliation Talks**

Efforts To Provoke Regional War Continue in Horn of Africa

June 16 (EIRNS)—Efforts are continuing by the Anglo-Dutch financial cartel to foment regional conflict in the greater Horn of Africa area, as a means to dissolve the region's nations into a large number of fiefdoms based on ethnicity. Chadian rebels opposed to the government of President Idriss Deby briefly occupied the town of Goz-Beida, 40 miles from Chad's eastern border with Sudan, on June 14, according to Reuters. Led by rebel Gen. Mahamat Nouri, the armed column yesterday seized Am Dam, close to the capital Ndjamen, according to AFP. Nouri was a member of Deby's cabinet from 1995-2004.

According to press reports, rebel spokesmen say their intention is not to remain in control of these towns, but to reach Ndjamen. Nouri led a similar armed column which attacked the capital in February; his forces were repulsed after several days of fighting, forcing many civilians to flee to Cameroon. Deby charged Sudan with being behind the February attack, and his government has charged Sudan with being behind the latest attack as well. Sudanese President Omar al-Bashir charged that the recent attack on Khartoum by anti-Sudan rebels of the Justice and Equality Movement (JEM), was supported by Chad.

One rebel spokesman reportedly agreed to call off the offensive if France and the EU forced Deby to agree to talks on the political future of Chad. Another spokesman called on France and the international community to stop supporting Deby.

The EU peacekeeping force in Chad says it is protecting the refugees living in camps from the rebels, but is not attempting to stop the rebel column. A minority of the refugees in the area of these two towns is from Sudan, while most are from Chad.

Senegal Hosts Hamas-Fatah Reconciliation Talks

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